

## Message Text

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67

ACTION ORM-02

INFO OCT-01 IO-11 ISO-00 DHA-02 VOE-00 SCA-01 CIAE-00

FBIE-00 INSE-00 NSAE-00 /017 W

----- 049124

R 171522Z MAR 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 8784

UNCLAS GZNEVA 2018

EO 11652: N/A

TAGS: SREF

SUBJECT: ICEM EXPENDITURES, INDOCHINESE REFUGEES

REF: STATE 0356558

1. THERE FOLLOWS VERBATIM TEXT OF LETTER FROM ICEM ON "OVERHEAD EXPENSES" CHARGED TO INDOCHINE PROGRAM FUNDS.

2. FROM PRESENTATION OF MAY YEAR AND SALARY-ALLOWANCE COSTS CHARGED TO PROGRAM IT WOULD APPEAR THAT FOR FOLLOWING REASONS CHARGES ARE TRIPLICATION TO USG, (A) USG CONTRIBUTION TO ICEM ADMINISTRATIVE BUDGET INCLUDES SALARY AND ALLOWANCE PAYMENTS OF 101 PERSONS INCLUDED IN "OVERHEAD" COST. (B) USG HAS BEEN PAYING ICEM EITHER IN FULL OR PARTIAL FOR SALARY AND ALLOWANCE COSTS OF 26 PERSONS FROM INDOCHINA PROGRAM FUNDS. THROUGH 31 DEC 1976 THESE TOTAL \$216,342. (C) ICEM NOW INCLUDING IN "OVERHEAD" COSTS SALARY AND ALLOWANCE EXPENSES OF 101 PERSONS CHARGEABLE TO ADMINISTRATIVE BUDGET AND 13 TO OPERATIONAL BUDGET.

3. TEXT OF MARCH 17 LETTER IS AS FOLLOWS. QUOTE:

YOU WILL RECALL THAT WHEN WE INITIATED THE PROGRAM FOR THE CAMBODIAN REFUGEES IN THAILAND IN EARLY APRIL AT THE REQUEST OF THE US GOVERNMENT, THE USG RECOGNIZED THAT IT WOULD BE A SPECIAL PROGRAM OUTSIDE ICEM'S NORMAL BUDGET AND ASSURED ICEM THAT IT WOULD PROVIDE THE NECESSARY FUNDS FOR AN ICEM

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PROGRAM IN INDOCHINA.

SHORTLY THEREAFTER, THE GOVT OF SOUTH VIETNAM FELL  
AND ICEM WAS REQUESTED TO ASSIST IN THE MOVEMENT OF REFUGEES  
FROM THAT COUNTRY.

IT IS DISAPPOINTING TO ME AFTER THESE VERBAL AND WRITTEN  
ASSURANCES FOR THE USG TO NOW REQUEST ICEM FOR DETAILED INFO  
AS TO OVERHEAD COSTS INCURRED FOR A PROGRAM UNDERTAKEN AT  
THE SPECIFIC REQUEST OF A MEMBER GOVERNMENT WHICH HAD FULL  
KNOWLEDGE THAT ALL COSTS INCURRED FOR A SPECIAL PROGRAM, I.E.  
"OUTSIDE" ICEM'S NORMAL BUDGET, WOULD HAVE TO BE FULLY REIMBURSABLE.

HOWEVER, IN CONNECTION WITH YOUR TELEGRAPHIC REQUEST TO THE  
US MISSION IN GENEVA ON 3 MARCH 1976 FOR MORE DETAILED BREAKDOWN  
OF OUR 1975 OVERHEAD CHARGE OF \$485,000 FOR THE INDOCHINA  
PROGRAM, YOU ARE AWARE, I AM SURE, THAT ICEM DOES NOT HAVE A  
COST ACCOUNTING SYSTEM. THEREFORE, WE CANNOT ALLOCATE  
ACCURATELY STAFF COSTS INCURRED FOR A SPECIFIC PROGRAM.

BUT, IN AN EFFORT TO BE RESPONSIVE TO YOUR REQUEST, WE  
HAVE QUERIED THE VARIOUS DEPARTMENTS/SERVICES AT HEADQUARTERS  
AS TO HOW MUCH STAFF TIME WAS SPENT ON THE INDOCHINA PROGRAM.  
IN VIEW OF OUR LACK OF A SYSTEM FOR RECORDING STAFF COSTS FOR  
EACH ACTIVITY, THE FOLLOWING ARE OUR BEST ESTIMATES.

IN ORDER TO ARRIVE AT THE COST OF EACH INDIVIDUAL CONCERNED  
WITH THE PROGRAM, WE HAVE TAKEN THE INDIVIDUAL'S TOTAL SALARY  
AND ALLOWANCES FOR THE YEAR AND DEDUCTED ONE-THIRD OF THAT  
COST, I.E. THAT PORTION OF THE YEAR PRIOR TO THE INITIATION OF THE  
INDOCHINA PROGRAM IN LATE APRIL OF 1975.

THERE WAS A TOTAL OF 114 PERSONS ENGAGED IN THE PROGRAM,  
OF WHICH 101 WERE CHARGEABLE TO THE ADMINISTRATIVE BUDGET AT  
HEADQUARTERS AND 13 WERE CHARGEABLE TO THE OPERATIONAL BUDGET  
(ALSO STAFF AT HEADQUARTERS). A BREAKDOWN OF THE TIME SPENT  
BY THEM IS AS FOLLOWS:

# OF PERSONS INVOLVED	PERCENT SPENT ON	EQUIV. TO FULL TIME PERS
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PROG.

OFFICE OF THE DIR. & EXTERNAL RELATIONS	23	10.65	2.45
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OPERATIONS & TRANSPORT:

ADMINISTRATIVE BUDGET	19	37.28	9.32
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OPERATIONAL BUDGET (GORM) 6

LATIN AMERICA	9	10.00	0.90
OPERATIONAL BUDGET (GOLA)	7	35.00	2.45
MANAGEMENT & FINANCE	50	14.34	7.17
	114	19.55	22.29

FROM THE ABOVE TABLE IT WILL BE NOTED THAT A TOTAL OF 114 INDIVIDUALS INVOLVED, THE EQUIVALANT OF 22.29 PERSONS WERE ENGAGED FULL-TIME IN THE PROGRAM, HENCE REPRESENTING 19.55 PERCENT OF THE TOTAL STAFF INVOLVED.

FOR THESE 114 PERSONS (EXCLUDING THOSE INDIVIDUALS WHO HAVE ALREADY BEEN INVOICED DIRECTLY), THE TOTAL COST FOR THE 8-MONTH PERIOD AMOUNTED TO \$2,345,300 AND 19.55 PERCENT OF THAT FIGURE AMOUNTS TO \$458,506. AS YOU ARE AWARE, WE WILL SHOW A CARRY-OVER OF \$17,672 INTO 1976. THEREFORE, THE LATTER TWO FIGURES TOTAL \$476,178 VERSUS THE \$485,000 THAT WE HAVE INVOICED FOR YOUR OVERHEAD CHARGES.

I TRUST THE ABOVE WILL SATISFY YOUR REQUIREMENTS.

SINCERELY YOURS, FRANCIS G. MERRILL, CHIEF OF DEPARTMENT.  
UNQUOTE

4. MISSION AIR MAILING LETTER TO D/HA TODAY. DALE

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## Message Attributes

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